

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

MONTHLY FINANCIAL REPORTING FORM

		1
1.	FOR THE MONTH ENDING:	January 31, 2004
2.	Name:	WATTSHealth Foundation, Inc.
3.	File Number:(Enter last three digits) 933-0	008
4.	Date Incorporated or Organized:	May 1, 1973
5.	Date Licensed as a HCSP:	October 30, 1978
6.	Date Federally Qualified as a HCSP:	November 8, 1982
7.	Date Commenced Operation:	February 16, 1967
8.	Mailing Address:	3405 West Imperial Hwy., Inglewood, CA 90303
9.	Address of Main Administrative Office:	3405 West Imperial Hwy., Inglewood, CA 90303
10.	Telephone Number:	(310) 671-3465
11.	HCSP's ID Number:	95-2623688
12.	Principal Location of Books and Records:	3405 West Imperial Hwy., Inglewood, CA 90303
13.	Plan Contact Person and Phone Number:	Alma Graham, Esq. (310) 671-3465 ext. 3569
14.	Financial Reporting Contact Person and Phone Number:	Greg Hamblin (310) 671-3465 ext. 3409
15.	President:*	Ron Bolding (Interim - Chief Operations Officer)
16.	Secretary:*	
17.	Chief Financial Officer:*	Greg Hamblin
18.	Other Officers:*	
19.		
20.		
21.		
22.	Directors:*	Johnny B. Griggs, Board Chairperson
23.		Lawrence G. Becker
24.		Cynthia Denise McClain-Hill
25.		David I Samuels
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.




32. President	Ron Bolding (Interim - Chief Operations Officer)
33. Secretary	signature required (please type for valid signature)
34. Chief Financial Officer	Greg Hamblin
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. If this is a revised filing, check here and complete question 4 on Page 2: <input type="checkbox"/>	
36. If all dollar amounts are reported in thousands (000), check here: <input type="checkbox"/>	

Check My Work.

**STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN**

MONTHLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	No 
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No 
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	Yes 
4.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

STATEMENT AS OF 1-31-2004 OF 933-0008 WATTHealth Foundation, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	7,018,000
2. Short-Term Investments	50,995,000
3. Premiums Receivable - Net	6,476,000
4. Interest Receivable	2,000
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	995,000
7. Prepaid Expenses	1,655,000
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	
10. Aggregate Write-Ins for Current Assets	5,161,000
11. TOTAL CURRENT ASSETS (Items 1 to 10)	72,302,000
OTHER ASSETS:	
12. Restricted Assets	300,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	480,000
18. TOTAL OTHER ASSETS (Items 12 to 18)	780,000
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	3,557,000
20. Furniture and Equipment - Net	1,045,000
21. Computer Equipment - Net	301,000
22. Leasehold Improvements -Net	
23. Construction in Progress	
24. Software Development Costs	956,000
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	5,859,000
27. TOTAL ASSETS	78,941,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Inventory	39,000
1002. Worker's Compensation Deposit	5,122,000
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	5,161,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Miscellaneous Deposits and Other Assets	480,000
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	480,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 1-31-2004 OF 933-0008 WATTHealth Foundation, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	3,589,000	XXX	3,589,000
2. Capitation Payable	2,664,000	XXX	2,664,000
3. Claims Payable (Reported)	2,783,000		2,783,000
4. Incurred But Not Reported Claims	27,267,000		27,267,000
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability	11,158,000		11,158,000
8. Unearned Premiums	10,396,000	XXX	10,396,000
9. Loans and Notes Payable	1,000	XXX	1,000
10. Amounts Due To Affiliates - Current		XXX	0
11. Aggregate Write-Ins for Current Liabilities	7,076,000	0	7,076,000
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	64,934,000	0	64,934,000
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	2,164,000	XXX	2,164,000
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 18)	2,164,000	XXX	2,164,000
19. TOTAL LIABILITIES	67,098,000	0	67,098,000
NET WORTH			
20. Common Stock	XXX	XXX	
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	11,843,000
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	11,843,000
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	78,941,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Accrued Payroll and Fringe Benefits	5,608,000		5,608,000
1102. Accrued Sick and Vacation	461,000		461,000
1103. Accrued Interest and Other Payments	7,000		7,000
1104. Estimated 3rd Party Payer Settlements	1,000,000		1,000,000
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	7,076,000	0	7,076,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Unrealized Gain(Loss) in Investments	XXX	XXX	0
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 1-31-2004 OF 933-0008 WATTHealth Foundation, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	1,105,000	1,105,000
2. Capitation	267,000	267,000
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare	9,989,000	9,989,000
5. Title XIX - Medicaid	6,452,000	6,452,000
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	42,000	42,000
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	21,000	21,000
11. TOTAL REVENUE (Items 1 to 10)	17,876,000	17,876,000
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	574,000	574,000
13. Inpatient Services - Per Diem	5,332,000	5,332,000
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	3,660,000	3,660,000
16. Primary Professional Services - Non-Capitated		
17. Other Medical Professional Services - Capitated	2,149,000	2,149,000
18. Other Medical Professional Services - Non-Capitated	1,368,000	1,368,000
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service	1,735,000	1,735,000
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	603,000	603,000
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	15,421,000	15,421,000
Administration		
25. Compensation	640,000	640,000
26. Interest Expense	8,000	8,000
27. Occupancy, Depreciation and Amortization	230,000	230,000
28. Management Fees		
29. Marketing	259,000	259,000
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	803,000	803,000
32. TOTAL ADMINISTRATION (Items 25 to 31)	1,940,000	1,940,000
33. TOTAL EXPENSES	17,361,000	17,361,000
34. INCOME (LOSS)	515,000	515,000
35. Extraordinary Item		
36. Provision for Taxes		
37. NET INCOME (LOSS)	515,000	515,000
NET WORTH:		
38. Net Worth Beginning of Period	11,328,000	11,328,000
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	515,000	515,000
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	11,843,000	11,843,000

STATEMENT AS OF 1-31-2004 OF 933-0008 WATTHealth Foundation, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Other Revenue	21,000	21,000
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	21,000	21,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Other Medical Costs of the Plan	367,000	367,000
2302. Incentive Pool	110,000	110,000
2303. Reinsurance Expenses	126,000	126,000
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	603,000	603,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Consulting & Contracting Services	541,000	541,000
3102. Postage, Fees, Travel, Telephone, Insurance and Other	262,000	262,000
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	803,000	803,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	1,405,000	1,405,000
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums	10,308,000	10,308,000
4. Title XIX - Medicaid Premiums	6,632,000	6,632,000
5. Investment and Other Revenues	-25,000	-25,000
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-16,642,000	-16,642,000
8. Administration Expenses	-1,779,000	-1,779,000
9. Federal Income Taxes Paid		
10. Interest Paid	-8,000	-8,000
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	-109,000	-109,000
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments	-1,041,000	-1,041,000
17. Payments for Property, Plant and Equipment	-30,000	-30,000
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-1,071,000	-1,071,000
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	-1,180,000	-1,180,000
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE MONTH	8,198,000	8,198,000
29. CASH AND CASH EQUIVALENTS AT THE END OF THE MONTH	7,018,000	7,018,000
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	515,000	515,000
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	172,000	172,000
32. Decrease (Increase) in Receivables	114,000	114,000
33. Decrease (Increase) in Prepaid Expenses	-142,000	-142,000
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable	-439,000	-439,000
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-1,221,000	-1,221,000
37. Increase (Decrease) in Unearned Premium	330,000	330,000
38. Aggregate Write-Ins for Adjustments to Net Income	562,000	562,000
39. TOTAL ADJUSTMENTS (Items 31 through 38)	-624,000	-624,000
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	-109,000	-109,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Inventories, Non-operating Propoerty, Deposits and Other Assets	-10,000	-10,000
3802. Accrued Payroll and Benefits, Sick and Vacation, 3rd Party Payer and Interest Payable	572,000	572,000
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	562,000	562,000

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REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	7,594	84	93	7,585	7,585	0	0	0	0	0	0.00
2. Medicare Risk	14,961	108	316	14,753	14,753	0	0	0	0	0	0.00
3. Medi-Cal Risk	67,192	2,124	3,076	66,240	66,240	0	0	0	0	0	0.00
4. Individual	688	5	12	681	681	0	0	0	0	0	0.00
5. Point of Service				0	0			0			
6. Aggregate write-ins for Other	18,276	374	750	17,900	17,900	0	0	0	0	0	
7. Total Membership	108,711	2,695	4,247	107,159	107,159	0	0	0	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group				0				0			
602. Healthy Families	2,473	105	177	2,401	2,401	0	0	0	0	0	0.00
603. AIM	467	22	38	451	451	0	0	0	0	0	0.00
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607. Dental Only Medi-Cal	15,336	247	535	15,048	15,048			0		0	
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for 698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus 699, 698) (Line 6 above)	18,276	374	750	17,900	17,900	0	0	0	0	0	

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NOTES TO FINANCIAL STATEMENTS	
1.	WATTSHHealth Foundation, Inc. (WHF) is a wholly owned subsidiary of WATTSHHealth Systems, Inc.
2.	The financial statements are prepared in conformity with generally accepted accounting principles.
3.	WHF was self-insured for workers' compensation and as such was required to maintain a deposit
4.	by the State of California, Department of Industrial Relations, Self-Insurance Plans. The deposit
5.	amounted to \$5,122,000 as of 01/31/04.
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OVERFLOW PAGE FOR WRITE-INS	
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4.	TNE Calculation Line 3
5.	Affiliate Account Balances are fully reserved at 01/31/04.
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STATEMENT AS OF 1-31-2004 OF 933-0008 WATTSHHealth Foundation, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06 AND 1300.84.2

		1	2
1.	Net Equity		\$ 11,843,000
2.	Add: Subordinated Debt		\$
3.	Less: Receivables from officers, directors, and affiliates		\$
4.	Intangibles		\$
5.	Tangible Net Equity (TNE)		\$ 11,843,000
6.	Required Tangible Net Equity (See Below)		\$ 8,219,000
7.	TNE Excess (Deficiency)		\$ 3,624,000
		Full Service Plans	Specialized Plan
A.	Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement \$ 50,000
B. REVENUES:			
8.	2% of the first \$150 million of annualized premium revenues	\$ 3,000,000	2% of the first \$7.5 million of annualized premium revenue \$
	Plus		Plus
9.	1% of annualized premium revenues in excess of \$150 million	\$ 638,000	1% of annualized premium revenue in excess of \$7.5 million \$
10.	Total	\$ 3,638,000	Total \$ 0
C. HEALTHCARE EXPENDITURES:			
11.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 8,219,000	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis. \$
	Plus		Plus
12.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$ 0	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis. \$
	Plus		Plus
13.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 0	4% of the annualized hospital expenditures paid on a managed hospital payment basis. \$
14.	Total	\$ 8,219,000	Total \$ 0
15.	Required "TNE" - Greater of "A" "B" or "C" \$	8,219,000	Required "TNE" - Greater of "A" "B" or "C" \$

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE (POS) "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1
1. Net Equity	\$ 11,843,000
2. Add: Subordinated Debt	\$
3. Less: Receivables from officers, directors, and affiliates	\$
4. Intangibles	\$
5. Tangible Net Equity (TNE)	\$ 11,843,000
6. Required Tangible Net Equity (From Line 18 below)	\$ 8,219,000
7. TNE Excess (Deficiency)	\$ 3,624,000
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:	
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):	
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$ 8,219,000
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$
10. Add lines 8 and 9	\$ 8,219,000
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):	
<u>PART A</u>	
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 15)	\$ 8,219,000
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$
13. Add lines 11 and 12	\$ 8,219,000

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POS WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ 9,135,000	\$
Less:		
2. Capitated or managed hospital payment basis expenditures	574,000	
3. Health care expenditures for out-of-network services for point-of-service enrollees		
4. Result	8,561,000	0
5. Annualized	102,732,000	
6. Reduce to maximum of \$150 million	102,732,000	
7. Multiply by 8%	\$ 8,218,560	\$ 0
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ 102,732,000	\$
9. Line 8 less \$150 million		
10. Multiply by 4%	\$ 0	\$ 0
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ 0	\$
12. Multiply by 4%	\$ 0	\$ 0
13. Total	\$ 8,218,560	\$ 0

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